

# *Enterprise Funds*

**Enterprise Funds** are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. A brief description of major Enterprise Funds follows:

**Housing Loan Fund** accounts for contracts for the sale of properties to California veterans and to California National Guard members and program loans to finance the housing needs of persons and families of low and moderate income.

**Water Resources Fund** accounts for charges to local water districts and the sale of excess power to public utilities.

**School Building Aid Fund** accounts for loans to school districts for acquisition, construction, or rehabilitation of classroom facilities and for income from the rental of portable classrooms to school districts.

**Toll Facilities Fund** accounts for fees collected for crossing state toll bridges.

**California State University Fund** accounts for charges to students for housing and parking and student fees for campus unions, health centers, and self-supporting educational programs.

**Leasing of Public Assets Fund** accounts for rental charges from the lease of public assets.

**State Lottery Fund** accounts for the sale of lottery tickets.

**Harbors and Watercraft Fund** accounts for the activities of the Department of Boating and Waterways, which includes loans, grants and subventions to local governments for harbor improvements and for boating safety and enforcement programs.

**Health Facilities Construction Loan Insurance Fund** accounts for an insurance program for health facility construction loans.

**Other Enterprise Funds** account for all other goods or services provided to the general public on a continuing basis either when all or most of the cost involved is to be financed by user charges or when periodic measurement of the results of operations is appropriate for management control, accountability, capital maintenance, public policy or other purposes.

# Enterprise Funds Combining Balance Sheet

June 30, 1995

(Amounts in thousands)

	Housing Loan	Water Resources	School Building Aid	Toll Facilities
<b>ASSETS:</b>				
Cash and pooled investments.....	\$ 326,577	\$ 418,093	\$ 102,179	\$ 582,679
Investments.....	1,158,685	78,506	—	3,473
Receivables (net).....	23,709	7,637	—	2,102
Due from other funds.....	7,946	62,215	—	10,892
Due from other governments.....	—	34,910	4,149	—
Prepaid expenses.....	—	5,687	—	13,900
Inventory, at cost.....	—	11,926	—	—
Net investment in direct financing leases.....	—	—	—	—
Advances and loans receivable.....	2,478,017	82,900	226,096	4,608
Deferred charges.....	6,253	963,287	—	3,305
Fixed assets.....	9,174	3,073,485	79,759	964,751
Other assets.....	42,587	—	—	208
<b>Total Assets.....</b>	<b>\$ 4,052,948</b>	<b>\$ 4,738,646</b>	<b>\$ 412,183</b>	<b>\$ 1,585,918</b>
<b>LIABILITIES:</b>				
Accounts payable.....	\$ 263	\$ 47,386	\$ 493	\$ 68
Due to other funds.....	3,239	49,708	88,460	4,980
Due to other governments.....	—	40,246	—	1,169
Due to component units.....	—	—	1,402	—
Advances from other funds.....	134,260	76,574	—	6,160
Benefits payable.....	86,592	—	—	—
Deposits.....	—	—	—	1,145
Contracts and notes payable.....	—	54,055	—	—
Lottery prizes and annuities.....	—	—	—	—
Compensated absences payable.....	—	17,824	—	—
Advance collections.....	—	308,587	—	—
General obligation bonds payable.....	3,004,485	1,132,430	34,750	—
Revenue bonds payable.....	440,385	1,939,263	—	63,020
Interest payable.....	91,176	24,202	—	540
Other liabilities.....	—	478	—	4
<b>Total Liabilities.....</b>	<b>3,760,400</b>	<b>3,690,753</b>	<b>125,105</b>	<b>77,086</b>
<b>FUND EQUITY:</b>				
Contributed capital.....	—	178,031	—	—
Retained earnings				
Reserved for regulatory requirements.....	2,103	—	—	—
Unreserved.....	290,445	869,862	287,078	1,508,832
<b>Total Retained Earnings.....</b>	<b>292,548</b>	<b>869,862</b>	<b>287,078</b>	<b>1,508,832</b>
<b>Total Fund Equity.....</b>	<b>292,548</b>	<b>1,047,893</b>	<b>287,078</b>	<b>1,508,832</b>
<b>Total Liabilities and Fund Equity.....</b>	<b>\$ 4,052,948</b>	<b>\$ 4,738,646</b>	<b>\$ 412,183</b>	<b>\$ 1,585,918</b>

California State University	Leasing of Public Assets	State Lottery	Harbors and Watercraft	Health Facilities Construction Loan Insurance	Other Enterprise	Total
\$ 357,438	\$ 865,195	\$ 184,324	\$ 102,987	\$ 137,892	\$ 70,834	\$ 3,148,198
—	143,018	2,203,181	—	—	432	3,587,295
8,408	—	52,336	246	1,152	3,032	98,622
10,706	106,873	9,934	3,227	3,963	2,566	218,322
—	—	—	6,382	—	1,320	46,761
410	—	—	131	—	858	20,986
—	—	4,675	—	—	3,307	19,908
—	3,115,450	—	—	—	—	3,115,450
2,719	—	—	184,711	—	20,796	2,999,847
—	55,514	5,918	—	—	—	1,034,277
635,842	887,528	54,532	1,281	159	28,546	5,735,057
30	—	934	435	—	—	44,194
<b>\$ 1,015,553</b>	<b>\$ 5,173,578</b>	<b>\$ 2,515,834</b>	<b>\$ 299,400</b>	<b>\$ 143,166</b>	<b>\$ 131,691</b>	<b>\$ 20,068,917</b>
\$ 17,631	\$ 66,352	\$ 28,125	\$ 8,017	\$ 301	\$ 7,525	\$ 176,161
8,266	11,548	195,535	49,727	445	11,487	423,395
—	728	3	55,027	45	43	97,261
—	—	—	—	—	—	1,402
2,692	—	—	—	—	6,035	225,721
—	—	—	—	—	—	86,592
700	—	899	435	—	3,175	6,354
—	—	—	—	—	1,398	55,453
—	—	2,285,613	—	—	—	2,285,613
9,849	—	4,132	—	—	815	32,620
42,783	10,303	1,527	177	—	643	364,020
—	—	—	—	—	61,825	4,233,490
324,983	4,995,812	—	—	—	—	7,763,463
3,953	51,550	—	—	—	—	171,421
116	—	—	25	—	1,393	2,016
<b>410,973</b>	<b>5,136,293</b>	<b>2,515,834</b>	<b>113,408</b>	<b>791</b>	<b>94,339</b>	<b>15,924,982</b>
16,484	—	—	—	—	20,277	214,792
159,636	—	—	—	—	—	161,739
428,460	37,285	—	185,992	142,375	17,075	3,767,404
<b>588,096</b>	<b>37,285</b>	<b>—</b>	<b>185,992</b>	<b>142,375</b>	<b>17,075</b>	<b>3,929,143</b>
<b>604,580</b>	<b>37,285</b>	<b>—</b>	<b>185,992</b>	<b>142,375</b>	<b>37,352</b>	<b>4,143,935</b>
<b>\$ 1,015,553</b>	<b>\$ 5,173,578</b>	<b>\$ 2,515,834</b>	<b>\$ 299,400</b>	<b>\$ 143,166</b>	<b>\$ 131,691</b>	<b>\$ 20,068,917</b>

# Enterprise Funds

## Combining Statement of Revenues, Expenses, and Changes in Retained Earnings

Year Ended June 30, 1995

(Amounts in thousands)

	Housing Loan	Water Resources	School Building Aid	Toll Facilities
<b>OPERATING REVENUES:</b>				
Lottery ticket sales.....	—	—	—	—
Services and sales.....	\$ 9,668	\$ 526,513	—	\$ 135,000
Earned premiums (net).....	25,487	—	—	—
Investment and interest.....	253,080	—	—	—
Rent.....	—	—	\$ 25,432	3,099
Other.....	2,313	—	—	151
<b>Total Operating Revenues.....</b>	<b>290,548</b>	<b>526,513</b>	<b>25,432</b>	<b>138,250</b>
<b>OPERATING EXPENSES:</b>				
Lottery prizes.....	—	—	—	—
Personal services.....	9,824	147,536	1,605	24,792
Supplies.....	—	—	—	114
Services and charges.....	18,912	103,767	519	13,085
Depreciation.....	868	57,009	3,720	—
Benefit payments.....	45,925	—	—	—
Interest expense.....	253,546	—	—	—
Amortization of deferred charges.....	4	43,340	—	430
<b>Total Operating Expenses.....</b>	<b>329,079</b>	<b>351,652</b>	<b>5,844</b>	<b>38,421</b>
<b>Operating Income (Loss).....</b>	<b>(38,531)</b>	<b>174,861</b>	<b>19,588</b>	<b>99,829</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Grants received.....	—	—	—	—
Grants provided.....	—	—	—	(14,937)
Interest revenue.....	11,164	19,141	28,215	29,479
Interest expense and fiscal charges.....	—	(162,084)	(3,016)	(2,724)
Gain on early extinguishment of debt.....	(7)	—	—	—
Other.....	(2,200)	(8,532)	(1,402)	—
<b>Total Nonoperating Revenues (Expenses).....</b>	<b>8,957</b>	<b>(151,475)</b>	<b>23,797</b>	<b>11,818</b>
<b>Income (Loss) Before Operating Transfers.....</b>	<b>(29,574)</b>	<b>23,386</b>	<b>43,385</b>	<b>111,647</b>
<b>OPERATING TRANSFERS:</b>				
Operating transfers in.....	11,164	—	—	—
Operating transfers out.....	(11,164)	—	(64,875)	(3,635)
Payment to refunded bond escrow agent.....	—	—	—	—
<b>Total Operating Transfers.....</b>	<b>—</b>	<b>—</b>	<b>(64,875)</b>	<b>(3,635)</b>
<b>Net Income (Loss).....</b>	<b>(29,574)</b>	<b>23,386</b>	<b>(21,490)</b>	<b>108,012</b>
Lottery payments for education.....	—	—	—	—
<b>Retained Earnings, July 1, 1994.....</b>	<b>322,122</b>	<b>846,476</b>	<b>308,568</b>	<b>1,400,820</b>
<b>Retained Earnings, June 30, 1995.....</b>	<b>\$ 292,548</b>	<b>\$ 869,862</b>	<b>\$ 287,078</b>	<b>\$ 1,508,832</b>

California State University	Leasing of Public Assets	State Lottery	Harbors and Watercraft	Health Facilities Construction Loan Insurance	Other Enterprise Funds	Total
—	—	\$ 2,166,121	—	—	—	\$ 2,166,121
\$ 233,240	—	—	\$ 14,546	\$ 19,054	\$ 69,697	1,007,718
—	—	—	—	—	—	25,487
—	\$ 28,960	—	—	—	3,300	285,340
102	205,817	—	—	—	—	234,450
137	81	—	—	—	932	3,614
<b>233,479</b>	<b>234,858</b>	<b>2,166,121</b>	<b>14,546</b>	<b>19,054</b>	<b>73,929</b>	<b>3,722,730</b>
—	—	1,075,189	—	—	—	1,075,189
83,078	—	43,673	—	—	8,550	319,058
—	—	63,794	—	—	827	64,735
96,602	15,105	215,491	33,779	3,337	56,777	557,374
—	—	11,362	—	—	1,962	74,921
—	—	—	—	—	—	45,925
—	215,487	—	—	—	5,084	474,117
—	3,781	1,803	—	—	—	49,358
<b>179,680</b>	<b>234,373</b>	<b>1,411,312</b>	<b>33,779</b>	<b>3,337</b>	<b>73,200</b>	<b>2,660,677</b>
<b>53,799</b>	<b>485</b>	<b>754,809</b>	<b>(19,233)</b>	<b>15,717</b>	<b>729</b>	<b>1,062,053</b>
480	—	—	—	—	—	480
—	—	—	—	—	—	(14,937)
17,488	5	15,007	4,975	—	5,745	131,219
(18,915)	—	—	—	—	(590)	(187,329)
—	—	—	—	—	—	(7)
83	—	190	—	—	—	(11,861)
<b>(864)</b>	<b>5</b>	<b>15,197</b>	<b>4,975</b>	<b>—</b>	<b>5,155</b>	<b>(82,435)</b>
<b>52,935</b>	<b>490</b>	<b>770,006</b>	<b>(14,258)</b>	<b>15,717</b>	<b>5,884</b>	<b>979,618</b>
856	2,160	—	26,273	—	10,012	50,465
(24,249)	(2,161)	—	(41,299)	—	(554)	(147,937)
(3,020)	—	—	—	—	—	(3,020)
<b>(26,413)</b>	<b>(1)</b>	<b>—</b>	<b>(15,026)</b>	<b>—</b>	<b>9,458</b>	<b>(100,492)</b>
<b>26,522</b>	<b>489</b>	<b>770,006</b>	<b>(29,284)</b>	<b>15,717</b>	<b>15,342</b>	<b>879,126</b>
—	—	(770,006)	—	—	—	(770,006)
<b>561,574</b>	<b>36,796</b>	<b>—</b>	<b>215,276</b>	<b>126,658</b>	<b>1,733</b>	<b>3,820,023</b>
<b>\$ 588,096</b>	<b>\$ 37,285</b>	<b>—</b>	<b>\$ 185,992</b>	<b>\$ 142,375</b>	<b>\$ 17,075</b>	<b>\$ 3,929,143</b>

# Enterprise Funds

## Combining Statement of Cash Flows

Year Ended June 30, 1995

(Amounts in thousands)

	Housing Loan	Water Resources	School Building Aid	Toll Facilities
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Operating income (loss).....	\$ (38,531)	\$ 174,861	\$ 19,588	\$ 99,829
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATIONS:</b>				
Depreciation.....	868	57,009	3,720	—
Accretion of capital appreciation bonds.....	—	—	—	—
Interest expense on operating debt.....	167	—	—	—
Accrual of deferred charge.....	—	—	—	—
Amortization of deferred credit.....	—	(3,784)	—	—
Provisions and allowances.....	—	—	—	—
Amortization of discounts.....	(4,063)	—	—	—
Amortization of deferred charges.....	—	44,885	—	430
Other.....	(1,021)	—	—	—
<b>Change in assets and liabilities</b>				
Receivables.....	(9,194)	(229)	—	(444)
Due from other funds.....	23,955	(17,762)	585	6,451
Due from other governments.....	—	59	(1,710)	—
Prepaid expenses.....	—	(3,537)	—	290
Inventory.....	—	(4,413)	—	—
Net investment in direct financing leases.....	—	—	—	—
Advances and loans receivable.....	36	—	—	—
Other assets.....	(2,522)	—	—	(8)
Accounts payable.....	(7)	1,043	471	10
Due to other funds.....	(7,133)	30,090	21,209	(7,844)
Due to other governments.....	—	(66,809)	—	182
Benefits payable.....	13,319	—	—	—
Deposits.....	—	—	—	53
Lottery prizes and annuities.....	—	—	—	—
Compensated absences payable.....	—	1,587	(373)	—
Advance collections.....	—	5,064	—	—
Other liabilities.....	679	214	—	(46)
<b>Total Adjustments.....</b>	<b>15,084</b>	<b>43,417</b>	<b>23,902</b>	<b>(926)</b>
<b>Net Cash Provided by (Used in) Operating Activities.....</b>	<b>(23,447)</b>	<b>218,278</b>	<b>43,490</b>	<b>98,903</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Advances from other funds.....	—	—	—	—
Return of advances from other funds.....	—	—	—	—
Proceeds from general obligation bonds.....	385,530	—	—	—
Retirement of general obligation bonds.....	(185,265)	—	(22,250)	—
Retirement of revenue bonds.....	(167,370)	—	—	—
Interest paid on operating debt.....	(174)	—	(3,016)	—
Operating transfers in.....	11,164	—	—	—
Operating transfers out.....	(11,164)	—	(18,785)	—

California State University	Leasing of Public Assets	State Lottery	Harbors and Watercraft	Health Facilities Construction Loan Insurance	Other Enterprise	Total
\$ 53,799	\$ 485	\$ 754,809	\$ (19,233)	\$ 15,717	\$ 729	\$ 1,062,053
—	—	11,362	—	—	1,962	74,921
—	8,864	—	—	—	—	8,864
—	(45)	—	—	—	5,084	5,206
—	4,429	—	—	—	—	4,429
—	—	—	—	—	—	(3,784)
—	—	(2,031)	—	—	—	(2,031)
—	7,388	1,803	—	—	—	5,128
—	—	—	—	—	—	45,315
—	—	3,995	—	—	—	2,974
(2,345)	—	(10,752)	(143)	(1,022)	(638)	(24,767)
30,945	12,267	485	4,458	(1,296)	6,651	66,739
—	—	—	(436)	—	(69)	(2,156)
(44)	—	—	48	—	(830)	(4,073)
—	—	(910)	—	—	(559)	(5,882)
—	(681,743)	—	—	—	—	(681,743)
—	—	—	—	—	(1,128)	(1,092)
(2)	37,150	110	—	—	—	34,728
103	(19,216)	12,172	1,806	67	(492)	(4,043)
(16,707)	(12,961)	(40)	5,275	252	18	12,159
—	(206)	1	3,236	(24)	(2)	(63,622)
—	—	—	—	—	—	13,319
36	—	(11)	—	—	185	263
—	—	73,659	—	—	—	73,659
—	—	(108)	—	—	18	1,124
(394)	6,877	321	177	—	(109)	11,936
(228)	380	—	(117)	—	(1,568)	(686)
<b>11,364</b>	<b>(636,816)</b>	<b>90,056</b>	<b>14,304</b>	<b>(2,023)</b>	<b>8,523</b>	<b>(433,115)</b>
<b>65,163</b>	<b>(636,331)</b>	<b>844,865</b>	<b>(4,929)</b>	<b>13,694</b>	<b>9,252</b>	<b>628,938</b>
—	—	—	—	—	2,669	2,669
(27)	—	—	—	—	—	(27)
—	—	—	—	—	—	385,530
—	—	—	—	—	(7,725)	(215,240)
—	—	—	—	—	—	(167,370)
—	—	—	—	—	—	(3,190)
856	—	—	26,273	—	10,012	48,305
(24,250)	—	—	—	—	(554)	(54,753)

# Enterprise Funds

## Combining Statement of Cash Flows (cont'd)

Year Ended June 30, 1995

(Amounts in thousands)

	Housing Loan	Water Resources	School Building Aid	Toll Facilities
<b>CASH FLOWS FROM NONCAPITAL FINANCING</b>				
<b>ACTIVITIES: (cont'd)</b>				
Grants provided.....	—	—	—	(14,937)
Other revenue (expenses).....	—	—	(1,402)	—
Lottery payments for education.....	—	—	—	—
<b>Net Cash Provided by (Used in) Noncapital Financing Activities..</b>	<b>32,721</b>	<b>—</b>	<b>(45,453)</b>	<b>(14,937)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED</b>				
<b>FINANCING ACTIVITIES:</b>				
Unamortized water project costs.....	—	(13,363)	—	—
Acquisition of fixed assets.....	(243)	(165,310)	—	(25,811)
Proceeds from sale of fixed assets.....	—	—	—	—
Advances from other funds.....	—	4,213	—	—
Return of advances from other funds.....	—	(26,336)	—	—
Proceeds from notes payable.....	—	130,735	—	—
Principal paid on notes payable.....	—	(136,800)	—	—
Proceeds from general obligation bonds.....	—	1,400	—	—
Retirement of general obligation bonds.....	—	(35,630)	—	—
Proceeds from revenue bonds.....	—	152,000	—	—
Retirement of revenue bonds.....	—	(94,234)	—	(5,745)
Interest paid.....	—	(171,366)	—	(3,399)
Contributed capital.....	—	—	—	—
Grants received.....	—	—	—	—
Operating transfers in.....	—	—	—	—
Operating transfers out.....	—	—	—	(3,635)
Payment of deferred costs.....	—	—	—	—
<b>Net Cash Provided by (used in) Capital and Related</b>				
<b>Financing Activities.....</b>	<b>(243)</b>	<b>(354,691)</b>	<b>—</b>	<b>(38,590)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchase of investments.....	(587,022)	—	—	—
Advances and loans provided.....	(173,582)	—	—	—
Collection of advances and loans.....	678	3,087	42,317	—
Proceeds from maturity and sale of investments.....	3,293	15,500	—	5
Interest and gains on investments.....	11,164	15,385	28,215	29,479
Other.....	—	—	—	—
<b>Net Cash Provided by (Used in) Investing Activities.....</b>	<b>(745,469)</b>	<b>33,972</b>	<b>70,532</b>	<b>29,484</b>
<b>Net Increase (Decrease) in Cash and Pooled Investments.....</b>	<b>(736,438)</b>	<b>(102,441)</b>	<b>68,569</b>	<b>74,860</b>
<b>Cash and Pooled Investments at July 1, 1994.....</b>	<b>1,063,015</b>	<b>520,534</b>	<b>33,610</b>	<b>507,819</b>
<b>Cash and Pooled Investments at June 30, 1995.....</b>	<b>\$ 326,577</b>	<b>\$ 418,093</b>	<b>\$ 102,179</b>	<b>\$ 582,679</b>

California State University	Leasing of Public Assets	State Lottery	Harbors and Watercraft	Health Facilities Construction Loan Insurance	Other Enterprise	Total
—	—	—	—	—	—	(14,937)
12	—	—	—	—	—	(1,390)
—	—	(796,275)	—	—	—	(796,275)
<b>(23,409)</b>	<b>—</b>	<b>(796,275)</b>	<b>26,273</b>	<b>—</b>	<b>4,402</b>	<b>(816,678)</b>
—	—	—	—	—	—	(13,363)
(21,716)	(61,833)	(7,789)	(57)	(100)	(6,183)	(289,042)
5,418	—	2	—	—	8	5,428
—	286,020	—	—	—	—	290,233
—	(265,297)	—	—	—	—	(291,633)
—	—	—	—	—	337	131,072
—	—	—	—	—	—	(136,800)
—	—	—	—	—	—	1,400
—	—	—	—	—	—	(35,630)
35,689	598,820	—	—	—	—	786,509
(11,008)	(115,769)	—	—	—	—	(226,756)
(18,185)	—	—	—	—	(5,709)	(198,659)
—	—	—	—	—	2,273	2,273
480	—	—	—	—	—	480
—	2,160	—	—	—	—	2,160
—	(2,162)	—	—	—	—	(5,797)
—	(16,934)	—	—	—	—	(16,934)
<b>(9,322)</b>	<b>425,005</b>	<b>(7,787)</b>	<b>(57)</b>	<b>(100)</b>	<b>(9,274)</b>	<b>4,941</b>
—	(12,868)	(266,888)	—	—	(144)	(866,922)
—	—	—	(833)	—	—	(174,415)
—	—	—	—	—	—	46,082
—	36,239	232,716	—	—	—	287,753
17,488	686	11,821	4,975	—	5,745	124,958
71	—	—	—	—	—	71
<b>17,559</b>	<b>24,057</b>	<b>(22,351)</b>	<b>4,142</b>	<b>—</b>	<b>5,601</b>	<b>(582,473)</b>
<b>49,991</b>	<b>(187,269)</b>	<b>18,452</b>	<b>25,429</b>	<b>13,594</b>	<b>9,981</b>	<b>(765,272)</b>
<b>307,447</b>	<b>1,052,464</b>	<b>165,872</b>	<b>77,558</b>	<b>124,298</b>	<b>60,853</b>	<b>3,913,470</b>
<b>\$ 357,438</b>	<b>\$ 865,195</b>	<b>\$ 184,324</b>	<b>\$ 102,987</b>	<b>\$ 137,892</b>	<b>\$ 70,834</b>	<b>\$ 3,148,198</b>

